

NHRS

New Hampshire Retirement System

Strategic Business Plan Plan Years 2007-2009

Quarter Ending December 31, 2006

New Hampshire Retirement System

Strategic Business Plan

July 1, 2006 – June 30, 2009

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New Hampshire Retirement System (NHRS)

Mission Statement

The New Hampshire Retirement System's mission is to provide comprehensive pension plan services for the benefit of its members and employers.

NHRS has two core businesses:

- Provide member retirement services.
- Invest retirement funds.

NHRS has three broad goals surrounding its core businesses:

- Build a foundation to support measurable improvement in member and employer services.
- Develop and implement best practices, policies, procedures and standards in investment, financial reporting, administration, operations and plan governance.
- Build a learning organization.



July 1, 2006

Dear Trustees,

I am pleased to present the Board of Trustees with the New Hampshire Retirement System (NHRS) Strategic Business Plan for the Plan Years 2007-2009.

NHRS management and staff have remained focused on the Strategic Business Plan since its inception in the summer of 2005, working diligently to improve member, retiree and employer services, to develop and implement best practices, and to build a learning organization.

All NHRS staff members actively participate in the strategic business planning process. Their technical experience, knowledge, perspective and input are instrumental in developing a learning organization based on realistic goal-setting. The role of management is to serve as team leaders, who provide guidance and direction, establish structure and timeframes, and coordinate team-driven work sessions.

The Strategic Business Plan establishes a formalized communication process among all levels of staff and includes not only team operational goals and objectives, but also individual performance plans to help NHRS achieve its vision. Functional areas work collaboratively to develop, implement and measure strategic initiatives. Although one functional area may coordinate and manage a business goal, many teams participate in and support the various strategic initiatives.

As a work-in-progress, the Strategic Business Plan requires ongoing monitoring and review. Goals are modified based on the needs of the NHRS membership, and priorities are revised as the result of those needs.

Through a dynamic strategic business planning process, NHRS is successfully delivering comprehensive services to its membership, prudently addressing pension plan administration and funding issues, and fostering a positive work environment rich with resolution-focused activities and professional conduct.

Respectfully submitted,

Robert S. Leggett
Executive Director

Business & Financial Reporting

Business & Financial Reporting ensures that the organization's operational functionality is efficiently maintained by overseeing building administration, budget and procurement, pension fund accounting, financial reporting, employer reporting services, and funding and actuarial administration.

Building Administration, Budget and Procurement

Building Administration, Budget and Procurement comprises many of the daily core business functions of NHRS. One of its primary objectives is to ensure that NHRS staff and the membership it serves are provided a secure, "user friendly" environment to operate in. Additionally, overseeing the processes for budgeting and procurement, including the training of NHRS staff in these processes, ensures that the necessary resources will be available to adequately maintain NHRS operations.

Employer Reporting Services (ERS)

ERS oversees all employer reporting functions including the processing of monthly wages and contribution reports, recording of payments accompanying the reports, and employer reporting oversight. ERS assists with employer education and training.

Fund and Actuarial Administration

The focus of Fund and Actuarial Administration is to pursue disciplined actuarial policies, procedures and practices to maintain and further improve the funding ratio of the plan. This important objective is achieved by conducting biennial actuarial valuations, experience studies, periodic reviews of asset liability management, and by monitoring plan funding progress.

Pension Fund Accounting & Financial Reporting

Pension Fund Accounting & Financial Reporting provides information regarding the financial condition of NHRS to external entities via its publication of the NHRS Comprehensive Annual Financial Report (CAFR). The team also oversees the daily financial operations and accounting systems that compile the information necessary to produce the CAFR and to inform the Board of Trustees of the financial condition of NHRS.

Building Administration, Budget & Procurement Plan Year 2006-2007

Objective	Partners	Project Status
Monitor and revise, as necessary, the Business Continuity Plan to ensure operational efficiency in the event of an emergency/disaster	All Teams	In progress
Evaluate and make recommendations to revise the role and responsibilities of the Safety Committee		
Evaluate and make recommendations for a building security plan to ensure the safety of employees and the public		
Continue to evaluate the facilities maintenance contract to ensure internal and external maintenance concerns are kept current		In progress
Review and revise, as necessary, the internal plan for monitoring the agency budget		
Review and revise, as necessary, payroll and purchasing guidelines	Legal	
Establish a payroll and payables process	HR, IT	In progress
Review and revise, as necessary, the process for management and staff to effectuate efficient and timely reporting to Board of Trustees and the Audit Committee of the Board		
Establish "best value" benchmarks for cost and service quality		
Review and revise, as necessary, the comprehensive risk management program to ensure an appropriate level of internal control	Legal	
Fully implement accounting and budgeting systems to establish autonomy from State accounting systems		In progress
Develop a plan to monitor and report on the agency budget and train staff in budget preparation		
Develop and implement an annual facilities maintenance evaluation plan		
Adopt and implement purchasing guidelines as needed		
Continue to work with the Safety Committee on efforts to provide a safe environment for employees and members		In progress

Building Administration, Budget & Procurement Plan Year 2007-2008

Objective	Partners	Project Status
Monitor and revise, as necessary, the Business Continuity Plan to ensure operational efficiency in the event of an emergency/disaster		
Evaluate and make recommendations to revise the role and responsibilities of the Safety Committee		
Evaluate and make recommendations for a building security plan to ensure the safety of employees and the public		
Continue to evaluate the facilities maintenance contract to ensure internal and external maintenance concerns are kept current		
Review and revise, as necessary, payroll and purchasing guidelines	Legal	
Maintain a payroll and payables process	HR, IT	
Review and revise, as necessary, the process for management and staff to effectuate efficient and timely reporting to Board of Trustees and the Audit Committee of the Board		
Establish "best value" benchmarks for cost and service quality		
Review and revise, as necessary, the comprehensive risk management program to ensure an appropriate level of internal control	Legal	
Develop and implement a comprehensive agency risk management program and assign appropriate responsibility for that program		
Refine newly implemented accounting and budgeting systems		

Building Administration, Budget & Procurement Plan Year 2008-2009

Objective	Partners	Project Status
Review and revise the risk management plan as needed		
Integrate the Business Administration, Budget and Procurement and Accounting functions into one department		
Monitor and Revise the Business Continuity Plan		

Employer Reporting Services Plan Year 2006-2007

Objective	Partners	Project Status
Continue to reduce number of prelist reporters by 50%		In progress
Continue to increase timeliness of employer reporting		In progress
Increase accuracy of reporting to 90% by continuing employer reconciliation efforts		In progress
Continue to improve communications with employers and vendors by rewriting & redistributing user guides and other written materials, developing and implementing a comprehensive employer education plan, and reviewing and revising, as necessary, web site content	PIO, IT	In progress
Continue to evaluate alternatives/options for vendor software process improvement to enhance communication, workflow and processes within PensionGold, to review PensionGold security/access standards and to resolve PIR/SIR issues	IT	In progress
Resolve delinquent payment penalty issues in Pension Gold system		In progress
Implement the ERS Employer User Guide	Legal	In progress
Develop a comprehensive employer training plan		
Complete proposal for modifying Pension Gold system to handle non-line business transactions		
Implement changes in ERS staffing and processes based on recommendations contained in Workforce Plan	HR	In progress
Review and evaluate ERS internal controls, processes and procedures for efficiency and effectiveness	Legal	

Employer Reporting Services Plan Year 2007-2008

Objective	Partners	Project Status
Continue to reduce number of prelist reporters		
Continue to increase timeliness of employer reporting		
Increase accuracy of employer reporting to 95% by continuing employer billing reconciliation efforts		
Continue to improve communications with employers and vendors by rewriting & redistributing user guides and other written materials, developing and implementing a comprehensive employer education plan, and reviewing and revising, as necessary, web site content	PIO	
Continue to evaluate alternatives/options for vendor software process improvement to improve communication, workflow and processes within PensionGold, to review PensionGold security/access standards and to resolve PIR/SIR issues		
Implement comprehensive employer training program		
Review salary continuance process to determine ways to enhance the timeliness of employer salary continuance payments and overall internal control of the salary continuance process		
Update ERS Employer User Guide as needed		

Employer Reporting Services Plan Year 2008-2009

Objective	Partners	Project Status
Continue to provide regularly scheduled comprehensive employer training program		
Update ERS Employer User Guide as needed		
Review current cash receipt process to determine whether there are alternative electronic payment methods available to provide more efficient and timely receipt of member and employer contributions		

Fund and Actuarial Administration Plan Year 2006-2007

Objective	Partners	Project Status
Complete the implementation of Plan Year 2005 - 2006 strategic goals		In progress
Complete transition of actuarial consulting services from Buck Consultants to Gabriel Roeder		In progress
Evaluate responses to the actuarial services request for proposal (RFP) and identify appropriate candidates for review by the NHRS trustees	Executive Director, Legal	Completed August 2006
Evaluate and recommend changes to the actuarial practices based on the Fiscal Year 2005 Actuarial Valuation and Experience Study to achieve stable contribution rate environment, and to maintain and enhance plan funding ratio, appropriate member interest rate, and solvency of the Post-Retirement Medical Plan	Executive Director	In progress
Analyze the implications of HB 181 and develop alternatives for funding COLAs while maintaining the plan funding ratios	Executive Director, Member Services	In progress
Review, streamline and document work processes and procedures		In progress
Develop workforce plan to include needs assessment, effective deployment of current resources, cross-training and succession planning	HR	In progress
Review and revise, as necessary, policies, guidelines and procedures		In progress

Fund and Actuarial Administration Plan Year 2007-2008

Objective	Partners	Project Status
Complete the implementation of Plan Year 2006 - 2007 strategic goals		
Conduct FY 2007 biennial valuation and evaluate plan funding status		
Conduct FY 2007 valuation for retiree health insurance subsidy and evaluate plan funding status		
Analyze the implications of HB 181 and develop alternatives for funding COLAs while maintaining the plan funding ratios		

**Fund and Actuarial Administration
Plan Year 2008-2009**

Objective	Partners	Project Status
Evaluate and recommend changes to the actuarial practices based on the Fiscal Year 2007 Actuarial Valuation and Experience Study to achieve stable contribution rate environment, and to maintain and enhance plan funding ratio, appropriate member interest rate, and solvency of the Post-Retirement Medical Plan		
Analyze the implications of HB 181 and develop alternatives for funding COLAs while maintaining the plan funding ratios		

Pension Fund Accounting & Financial Reporting Plan Year 2006-2007

Objective	Partners	Project Status
Develop a strategy for increasing electronic reporting of information to Board of Trustees		
Review strategy for Comprehensive Annual Financial Report (CAFR) presentation in compliance with Government Accounting Standards Board (GASB) guidelines and dissemination of CAFR information		
Develop strategy for interim financial reporting to external entities		
Consider and review alternatives for legislation to give NHRS autonomy in procuring service provider for external audit		
Review and implement alternative accounting solutions for alternative investments		
Review cash management alternatives for accepting employer payments with a goal of increasing paperless/electronic	ERS	
Continue to reconcile the general ledger and Pension Gold	Legal	In progress
Define the roles and responsibilities of the Member Accountants in the financial accounting process		
Prepare for implementation of GASB 43 & 45 post-employment benefit accounting provisions in fiscal year end June 30, 2007 annual report (CAFR) through education & training		In progress
Review and implement increased electronic dissemination of CAFR to reduce the number of printed hard copies needed		
Complete FY 2006 External Audit including addressing any observations noted by the external auditors	All teams	Completed December 2006
Prepare and issue Comprehensive Annual Financial Report for the FY ending June 30, 2006	PIO	Completed December 2006
Support the submission of the FY 2006 CEM Survey by providing cost allocation data		Completed October 2006

Pension Fund Accounting & Financial Reporting Plan Year 2007-2008

Objective	Partners	Project Status
Develop a strategy for increasing electronic reporting of information to Board of Trustees		
Review annual report (CAFR) to determine if enhanced presentation capability can be accomplished while maintaining GFOA required standards		
Review alternatives for “alternative investment” accounting transactions		
Review cash management alternatives for accepting employer payments with a goal of increasing paperless/electronic	ERS	
Implement GASB 43 & 45 post-employment benefit accounting provisions in fiscal year ending June 30, 2007 annual report (CAFR)		
Establish overall monthly accounting reconciliation plan that specifies exactly what accounting related items (both Pension Gold related and non-Pension Gold related) will be reconciled, how they will be reconciled, and assign responsibility for performing the monthly reconciliation		
Complete FY 2007 External Audit including addressing any observations noted by the external auditors		
Prepare and issue Comprehensive Annual Financial Report for the FY ending June 30, 2007	PIO	
Support the submission of the FY 2007 CEM Survey by providing cost allocation data		

Pension Fund Accounting & Financial Reporting Plan Year 2008-2009

Objective	Partners	Project Status
Implement monthly accounting reconciliation plan		
Issue request for Proposal (RFP) for Banking Services		
Implement new GASB pronouncements as needed		
Complete FY 2008 External Audit including addressing any observations noted by the external auditors		
Prepare and issue Comprehensive Annual Financial Report for the FY ending June 30, 2008		
Support the submission of the FY 2008 CEM Survey by providing cost allocation data		

Human Resources

Human Resources (HR) promotes an effective and productive workforce to successfully achieve NHRS business objectives by assisting with strategic organizational development. HR implements fair and sound employment practices; recruits, retains, and develops qualified staff for professional roles appropriate to their skills, training, and experience; and fosters a progressive workplace environment, which encourages continuous learning, constructive challenges, creativity, collaborative problem-solving, team ethic, and mission-driven philosophy.

Human Resources Plan Year 2006-2007

Objective	Partners	Project Status
Implement NHRS-specific job valuation system		In progress; complete by 3/1/07
Coordinate efforts for the NHRS Collective Bargaining Team to successfully negotiate the Collective Bargaining Agreement for 7/1/2007, negotiations to begin plan year 2007		In progress; complete by 7/07
Continue to develop and implement NHRS-specific HR/payroll policies and forms	Executive Director, Legal	In progress
Update and monitor individualized strategic performance plans for all staff (ISPs), and related performance evaluations which reflect strategies to achieve individual, departmental, and agency-wide performance goals	All Teams	In progress; complete by 3/1/07
Continue with implementation of appropriate components of approved Phase I workforce plan including hiring/training/realignment of resources	All Teams	In progress; complete by 3/1/07
Develop proposal for new NHRS compensation program		In progress
Implement monitoring of all employment compliance standards and associated reporting requirements applicable to NHRS as an independent public employer, including reporting requirements	Business, Legal	In progress; complete by 4/07
Continue to track HR-related statistics and quality indicators, analyze and report results, and recommend any appropriate responsive action		In progress, quarterly
Present Phase II of comprehensive workforce plan for plan years 2006 through 2009, and begin implementation of approved components relative to this plan year		Completed August 2006, Implementation in progress
Conduct a comprehensive needs assessment of NHRS workforce training needs		To initiate 6/07
Begin implementation of an independent HR/Payroll software system	Business	In progress; complete by 4/1/07

Human Resources Plan Year 2007-2008

Objective	Partners	Project Status
Continue to develop and implement NHRS-specific HR/payroll policies and protocols	Legal, Executive Director	
Update and monitor individualized strategic performance plans for all staff (ISPs), and related performance evaluations which reflect strategies to achieve individual, departmental, and agency-wide performance goals		
Continue implementation of appropriate components of workforce plan, including hiring/training/realignment of resources	All Teams	
Establish standardized knowledge and comprehensive competencies for industry and NHRS-specific functions for staff positions		
Assist functional areas in the continuous assessment and improvement of workflow processes	All Teams	
Develop budget and solid funding source for ongoing staff recognition and motivational cost items	Business	
Develop and implement a comprehensive new employee orientation program (on-boarding)		
Continue to track HR-related statistics and quality indicators, analyze and report results, and recommend any appropriate responsive action		
Develop a comprehensive, multi-tiered staff education and professional development program		
Implement any revised terms of the new Collective Bargaining Agreement, effective 7/1/07		
Implement new NHRS compensation structure in line with recommendations from HayGroup, Inc. and consistent with negotiated collective bargaining agreement		

Human Resources Plan Year 2008-2009

Objective	Partners	Project Status
Continue to assess, appropriately revise and implement components of the workforce plan relative to this plan year		
Implement the comprehensive, multi-tiered staff education and professional development plan, to include the possibility of establishing a centralized training resources functionality		
Establish formal NHRS succession plan		
Develop NHRS staff incentive and reward program, and begin implementation of any approved components relative to this plan year		
Offer Employee Self-Service capability for NHRS payroll and HR functions		

Information Technology

Information Technology (IT) plans, designs, implements and controls the technology infrastructure for the organization. IT operates, maintains and enhances the information technology environment to ensure teams' ability to perform their daily operational functions.

Information Technology Plan Year 2006-2007

Objective	Partners	Project Status
Develop a plan for hardware replacement		Completed
Continue to review and revise, as necessary, policies, guidelines and procedures	Legal, Executive Director	
Continue to review and revise, as necessary, the security surrounding the network		
Continue to review and revise, as necessary, the Disaster Recovery Plan	All Teams	
Continue to coordinate and manage PG functionality with other business units	All Teams	In progress
Continue to assist other business units with meeting their objectives based on their IT needs	All Teams	In progress
Continue to replace non-PG servers		Completed
Continue to implement an improved web site which will consolidate the two current web sites		In progress
Develop a plan for hardware/software life cycle		In progress
Implement faxing software		In progress
Enhance the helpdesk software functionality		
Roll out the phone system software		
Roll out Web Member Services		In progress
Develop a plan for imaging		
Plan and implement a contact center		

Information Technology Plan Year 2007-2008

Objective	Partners	Project Status
Continue to review and revise, as necessary, IT Policies, Guidelines and Procedures	Legal, Executive Director	
Continue to review and revise, as necessary, the security surrounding the network		
Continue to review and revise, as necessary, the Disaster Recovery Plan	All Teams	
Continue to coordinate and manage PG functionality with other business units	All Teams	
Continue to assist other business units with meeting their objectives based on their IT needs	All Teams	
Implement plan for imaging		

Information Technology Plan Year 2008-2009

Objective	Partners	Project Status
Continue to review and revise, as necessary, IT Policies, Guidelines and Procedures		
Continue to review and revise, as necessary, the security surrounding the network		
Continue to review and revise, as necessary, the Disaster Recovery Plan		
Continue to coordinate and manage PG functionality with other business units		
Continue to assist other business units with meeting their objectives based on their IT needs		

Investments

The Investments team is responsible for the administration of a broadly diversified investment portfolio consisting of domestic and international equity and fixed income as well as alternative investments and commercial real estate. The investment program objective is to consistently achieve above-average total fund return at a moderate level of risk. This is accomplished by implementing best investment and corporate governance practices, consistent with Board of Trustees policies and industry standards.

Investment management and monitoring are key functions performed by the team. This involves managing asset allocation; coordinating the administration of investment portfolios; monitoring risk and performance; ensuring portfolio compliance with the investment and proxy voting guidelines; facilitating manager searches; performing asset transfers; and achieving reporting standards.

Investments

Plan Year 2006-2007

Objective	Partners	Project Status
Complete the implementation of Plan Year 2005 - 2006 strategic goals		See below
<p>Complete the implementation of ALM and risk-budgeting analysis recommendations. Continue asset class-level review and implementation:</p> <ul style="list-style-type: none"> Established two index fund portfolios Provided initial funding for Daily Aggregate Bond and Russell 3000 Index fund account Establish a 50% passive-management allocation within the U.S. Equity asset class Utilize index accounts to attain allocation policy targets U.S. Equity Review project to assess current NHRS managers and make changes to the roster, as needed Establish a pool of three transition managers to mitigate the expense of restructuring assets Retain Ennis Knupp on a project-basis to evaluate the efficacy of the alternative investment program and recommend changes 		<ul style="list-style-type: none"> Completed Q1, FY'07 Completed Q1 & Q2, FY'07 Completed Q2, FY'07 Completed Q2, FY'07 Completed Q2, FY'07 Completed Q2, FY'07 Completed Q2, FY'07 Approved in Q2 for initiation in Q3, FY'07
<p>Actively pursue opportunities to reduce investment management fees and other service provider expenses to a level at or below the median of the peer group of data base</p> <ul style="list-style-type: none"> Negotiated a reduced fee schedule with Netols Asset Management In conjunction with ALM recommendations and U.S. Equity Manager Review, NHRS established a Russell 3000 Index equity account and a Daily Aggregate Bond Index account. The establishment and funding of the index accounts is expected to significantly reduce investment management, custody, and related-fees. 		<ul style="list-style-type: none"> Completed Q2, FY'07 Accounts funded in Q1 & Q2, FY'07
Analyze and recommend comprehensive strategy and structure for the commercial real estate program based on the revised policy allocation target of 5% in this asset class	Executive Director	Initiated Q1 FY'07 with request to commercial real estate consultant
<p>Develop and implement a workforce plan to include needs assessment, effective deployment of current resources, cross-training and succession planning</p> <ul style="list-style-type: none"> Workforce plan developed Chief Investment Officer position recruitment Investment Analyst position recruitment 	HR	<ul style="list-style-type: none"> Completed Q1 FY'07 Completed Q1 FY'07 Initiated Q1, FY'07

Investments

Plan Year 2006-2007 (continued)

Objective	Partners	Project Status
<p>Review and revise, as necessary, policies, guidelines and procedures</p> <ul style="list-style-type: none"> NHRS Statement of Investment Policy Investment Manager Agreements and Guidelines 	Executive Director, Legal	<ul style="list-style-type: none"> Completed with formal adoption of the policy Q1 FY'07 Initiated Q2, FY'07
<p>Continue RFP process for all investment-related service providers on a rotating basis, as appropriate, and adhere to consultant's manager search process and standards</p> <p>Request for Information (RFI) documents for U.S. Equity Manager Review analyzed with general investment consultant. Consultant's Investment Manager Rating System (IMRS) utilized for this process.</p>	Legal	Completed Q1, FY'07
Establish appropriate risk/return benchmark for measuring performance for the security lending program and evaluate opportunities for increasing income	Executive Director	To initiate in Q3 FY'07
Develop a process for the annual review of proxy voting guidelines, service provider contracts for competitiveness, and for review of investment and internal control risk exposure in accordance with the COSO/GARP Standards	Legal	To initiate in Q3 FY'07

Investments

Plan Year 2007-2008

Objective	Partners	Project Status
Complete the implementation of Plan Year 2006 - 2007 strategic goals		
Establish access to the online capital market database platform for conducting manager searches, portfolio pricing, portfolio transition, and for exploring the feasibility of internal investing		
Administer and adjust the workforce plan, as needed, to incorporate needs assessment, effective deployment of current resources, cross-training and succession planning	HR	
Review and revise, as necessary, policies, guidelines and procedures	Executive Director, Legal	
Actively pursue opportunities to reduce investment management fees and other service provider expenses to a level at or below the median of the peer group of data base		
Continue RFP process for all investment-related service providers on a rotating basis, as appropriate, and adhere to consultant's manager search process and standards	Legal	
Continue the annual review of proxy voting guidelines, service provider contracts for competitiveness, and for review of investment and internal control risk exposure in accordance with the COSO/GARP Standards	Legal	

Investments Plan Year 2008-2009

Objective	Partners	Project Status
Complete the implementation of Plan Year 2007 - 2008 strategic goals		
Evaluate and enhance investment technology to ensure adherence with best practices for monitoring, management & compliance		
Administer and adjust the workforce plan, as needed, to incorporate needs assessment, effective deployment of current resources, cross-training and succession planning	HR	
Review and revise, as necessary, policies, guidelines and procedures	Executive Director, Legal	
Determine best practices for handling security litigation activities including the establishment of a security litigation policy, requisite technology solutions, and administrative processes	Executive Director, Legal	
Continue the annual review of proxy voting guidelines, service provider contracts for competitiveness, and for review of investment and internal control risk exposure in accordance with the COSO/GARP Standards	Legal	

Legal & Compliance

The Legal & Compliance Team reviews NHRS policies and processes.

Legal Services provides a broad range of legal and compliance advice to the Board of Trustees, Executive Director and agency personnel; coordinates external legal services; assists with the legislative process; and manages Qualified Domestic Relations Order (QDRO) and hearings processes.

Internal Audit & Compliance provides independent objective assurance and consulting services designed to add value and improve efficiency of NHRS core businesses. Audit & Compliance assists the organization in accomplishing its objectives by practicing a systematic, disciplined approach in evaluating risk and recommending sound internal controls for effective risk management, sound policies & procedures, and good governance process.

Legal & Compliance Plan Year 2006-2007

Objective	Partners	Project Status
Continue to assist in the drafting, editing and implementation of statutes and administrative regulations	Executive Director	Ongoing
Continue to advise and assist management and staff with the implementation of the strategic objectives, as requested	All Teams	Ongoing
Provide legal research, review and opinion to the Board of Trustees, management and staff, as requested		Ongoing
Continue to assist with new-Trustee orientation	Executive Director	In process
Continue to represent and/or coordinate legal representation on behalf of the NHRS in adjudicative proceedings		Ongoing
Continue to assist in the review and implementation of any recommendations made by the NHRS Internal Auditor, external consultants and/or service providers	Investments	Ongoing
Implement functional expectations for the NHRS disability and QDRO operations	Members Services	In progress
Continue to review and appropriately revise, as necessary, all policies, procedures and publications		Ongoing
Participate in the Collective Bargaining Agreement (CBA) process		In progress
Assist in development and review of periodic RFP's for all vendors		
Assist staff in the implementation of new legislation impacting NHRS		
Assist with annual external audit		Completed for FY'06
Conduct risk management and initial phase of internal audit		Ongoing
Prioritize and implement FY '06 audit/compliance goals		In progress
Develop and monitor internal controls procedures designed to manage risk and make recommendations for improvements		In progress
Oversee modifications to administrative rules		Ongoing
Assist in the review of NHRS governance policies		In progress

Legal & Compliance Plan Year 2007-2008

Objective	Partners	Project Status
Continue to assist in the drafting, editing and implementation of statutes and administrative regulations	Executive Director	
Continue to advise and assist management and staff with the implementation of the strategic objectives, as requested	All Teams	
Continue to provide legal research, review and opinion to the Board of Trustees, management and staff, as requested		
Continue to assist with new-Trustee orientation	Executive Director	
Continue to represent and/or coordinate legal representation on behalf of the NHRS in adjudicative proceedings		
Continue to assist in the review and implementation of any recommendations made by the NHRS Internal Auditor, external consultants and/or service providers	Investments	
Continue to implement functional expectations for the NHRS disability and QDRO operations	Member Services	
Continue to review and appropriately revise, as necessary, all policies, procedures and publications		
Continue the development and review of periodic RFP's for all vendors		
Assist in the implementation of the 7/1/07 CBA		
Assist with annual external audit		
Conduct next phase of internal audit		
Assist staff in the implementation of new legislation impacting NHRS		
Continue to implement FY '06 & '07 audit/compliance goals		

Legal & Compliance Plan Year 2008-2009

Objective	Partners	Project Status
Continue to review and appropriately revise, as necessary, all policies, procedures and publications		
Continue the development and review of periodic RFP's for all vendors		
Assist with annual external audit		
Conduct next phase of internal audit		
Continue to provide legal research, review and opinion to management and staff, as requested		
Continue to represent and/or coordinate legal representation on behalf of the NHRS in adjudicative proceedings		
Continue to oversee in the drafting, editing and implementation of statutes and administrative regulations		
Assist staff in the implementation of new legislation impacting NHRS		
Continue to implement FY 2007 and 2008 goals		

Member Services

Member Services, comprised of the Benefits Team and Annuity Team, supports members' service needs by providing individual benefit information and counseling to members; tracking and verifying salary, contribution and service credit data; processing refunds and service credit purchases; certifying benefits; and issuing monthly annuity payments. To effectively deliver excellent member services, Member Services must monitor and increase baseline knowledge of federal and state legislative mandates covering a wide range of pension-related topics and tax-related matters.

Annuity

Annuity administers post-retirement benefits, which includes issuing monthly annuity benefits and cost of living allowances; managing the 401(h) medical subsidy; coordinating healthcare benefits with employers; implementing direct deposits; applying federal income tax regulations; and auditing retiree records to ensure that benefits meet state and federal compliance.

Member Benefits

Member Benefits (which includes Member Accounting, Enrollment and Record Retention) provides pre-retirement counseling and benefit estimates; processes retirement applications, disability claims and death benefits; manages prior service credit purchases; calculates and certifies benefit amounts; administers additional annuities; and audits member records and benefits to ensure state and federal statutory compliance.

Annuity Plan Year 2006-2007

Objective	Partners	Project Status
Implement 1-3 recommendations derived from the effective measurement tool to achieve median comparison with respect to peer groups and adopt accepted quality standards and response times for member contact	Member Benefits, PIO	In progress
Explore assumption of gainful occupation responsibilities (training)		In progress
Implement contact center plan	Business, Member Benefits, PIO, IT	Phase I defined See below
Implement employer/annuity initiatives (re: medical insurance)		To initiate
Plan for 8.5% increase in annuitants (from 20,550 to 22,300)		In progress
Prepare for 8.5% increase in retirees' medical insurance payments. (18,275 to 19,830)		In progress
Review, streamline and document 3-5 work processes, procedures, policies and guidelines	Member Benefits	In progress
Participate in the development of workforce planning to include needs assessment, effective deployment of current resources, cross-training and succession planning	HR	In progress
Develop and publish a post-retirement handbook	Member Benefits	To initiate
Achieve 85% annuitant participation in direct deposit		In progress/ 81% to date
Pursue feedback prior to implementation of issuance of annuity advisory notices and checks directly to members from the vendor		In progress
Complete development of gainful occupation/PG software functionality	IT	In progress
Participate in planning and training for phase one contact center, formulate frequently asked questions list; and participate in planning for imaging project as appropriate		In progress
Participate in wide-ranging employer collaboration initiatives	HR, ERS	To initiate
Complete implementation of letter functionality in PG	IT	Accomplished in part/ in progress
Complete implementation of Local Government Center (LGC) modification for dependent information--- LGC was formerly the NH Municipal Association (NHMA)	IT	In progress
Plan for 5% increase in annuitants and in retirees' medical insurance payments		In progress
Resolve outstanding PIRS/SIRS, complete reports and correspondence functionality		Accomplished in part/in progress
Annual recertification for medical subsidy		In progress
W-4P annual re-notification and response team		To initiate 1/07
1099 response team		To initiate 1/07
State of NH health care administrative transition	Executive Director	Accomplished 11/1/06
Develop a general satisfaction survey for retiree population	PIO	In progress
Evaluate expanded hours of operation		Accomplished

Annuity Plan Year 2007-2008

Objective	Partners	Project Status
Implement 1-3 recommendations derived from the effective measurement tool to achieve median comparison with respect to peer groups and adopt accepted quality standards and response times for member contact		
Achieve 87% annuitant participation in direct deposit		
Plan for 8% increase in annuitants and retirees' medical insurance payments		
Assume gainful occupation responsibilities		
Participate in assessment and refinement of contact center operations, in imaging project, as appropriate	Business, Member Benefits, PIO	
Develop a satisfaction survey for targeted retiree populations		
Review , streamline and document 3-5 work processes, procedures, policies and guidelines		
Consider elimination of notarization for documents		
W-4P annual re-notification and response team		
1099 response team		

Annuity Plan Year 2008-2009

Objective	Partners	Project Status
W-4P annual re-notification and response team		
1099 response team		
Participate in assessment and refinement of contact center operations		
Plan for 10% increase in annuitants and retirees' medical insurance payments		
Assess Archival record retention		
Achieve 90% annuitant participation in direct deposit		
Conduct and refine satisfaction surveys		
Consider banking services/other deductions		
Implement 1-3 recommendations derived from the effective measurement tool to achieve median comparison with respect to peer groups and adopt accepted quality standards and response times for member contact		
Review , streamline and document 3-5 work processes, procedures, policies and guidelines		

Member Benefits Plan Year 2006-2007

Objective	Partners	Project Status
Implement 1-3 recommendations derived from the effective measurement tool to achieve median comparison with respect to peer groups and adopt accepted quality standards and response times for member contact	Annuity, PIO	In progress
Implement contact center	Annuity, Business, PIO, IT	Phase I defined See below
Identify and develop process for large-scale data cleansing	IT	In progress
Plan for and address June '08 retirement activity		In progress
Identify and notify members eligible to pre-select a survivorship option	.	In progress
Refund contributions to 2-year inactive members		In progress
Explore imaging options	IT	
Review, streamline and document 3-5 work processes procedures, policies and guidelines		In progress
Participate in the development of workforce planning to include needs assessment, effective deployment of current resources, cross-training and succession planning	HR	In progress
Prepare for counseling/benefit processing to meet needs of increased retirement-eligible population, projected to double within two years (June '08 retirement activity)		In progress
Participate in planning and training for phase one contact center; formulate frequently asked questions list; and participate in planning for imaging project as appropriate	PIO, IT	In progress
Test member web access	IT	To initiate
Modify a report to identify eligibility/vested deferred members	IT	In progress
Resolve outstanding PIRS/SIRS, complete reports and correspondence functionality	IT	In progress
Implement additional contributions calculations functionality in PG	IT	In progress
Integrate information currently stored in stand-alone databases	IT	In progress
Evaluate expanded hours of operation		Accomplished
Develop and conduct a general satisfaction survey for members	PIO	In progress
Develop a plan to increase awareness of members eligible to pre-select a survivorship option		In progress
Consider elimination of notarization of documents	Legal	In progress
Consider content of estimates (per CEM)	Legal, IT	Accomplished
Prepare for increased call volumes, requests for cost and benefit calculations and timely and accurate processing generated by member interest in service credit purchases and related pension benefit information		In progress

Member Benefits Plan Year 2007-2008

Objective	Partners	Project Status
Implement 1-3 recommendations derived from the effective measurement tool to achieve median comparison with respect to peer groups and adopt accepted quality standards and response times for member contact	Annuity, PIO	
Participate in assessment and refinement of contact center operations; in imaging project, as possible	Annuity, Business, PIO	
Continue data cleansing		
Implement imaging		
Assess archival records retention		
Process 2008 retirements		
Explore providing member counseling in field locations		
Consider conducting satisfaction surveys focused on counseling, calls, presentations, publications, refunds, purchases, estimates		
Collaborate with PIO to attend retirement preparation meetings held by employers, associations		
Review, streamline and document 3-5 work processes, procedures, policies and guidelines		

Member Benefits Plan Year 2008-2009

Objective	Partners	Project Status
Implement 1-3 recommendations derived from the effective measurement tool to achieve median comparison with respect to peer groups and adopt accepted quality standards and response times for member contact		
Participate in assessment and refinement of contact center operations		
Continue data cleansing		
Conduct Satisfaction Surveys		
Review, streamline and document 3-5 work processes, procedures, policies and guidelines		

Public Information

The Public Information Office (PIO) develops and implements proactive, internal and external communications initiatives by creating and disseminating publications; maintaining an up-to-date web site; conducting educational outreach through workshops, seminars and benefits fairs; collaborating with internal and external entities to maximize information dissemination; assisting with the legislative process; and responding to member, retiree, employer, public and media inquiries.

Public Information Plan Year 2006-2007

Objective	Partners	Project Status
Continue to collaborate with other teams to implement an effective and consistent contact and response system for constituents to include development of education and training programs for employers, members and retirees; orientation sessions for other various stakeholders; and communication initiatives in partnership with other entities to maximize NHRS' education and information outreach	All Teams	In progress
Implement recommendations derived from the effective measurement tool to achieve median comparison with respect to peer groups and adopt accepted quality standards and response times for member contact	Member Services	In progress
Update publications and external forms, as needed	All Teams	In progress
Identify and respond to operational impact of legislative initiatives	Executive Director, Legal	In progress
Develop and implement regional-based pilot program for delivering member education outreach sessions to large groups on an annual basis		In progress
Deliver statewide, smaller group member education outreach sessions		In progress
Evaluate retiree outreach		In progress
Assist with implementing redesigned web site including member web access	IT	In progress
Develop client satisfaction surveys	Member Services	In progress
Create updated employer manual	Business, Legal	In progress
Develop employer training program	Business	Deferred to Q4,FY07
Assist with developing and implementing contact center plan	IT, Member Services, Business	Deferred to Q4,FY07
Assist with editing, as needed, format and content of annual member statements	IT, Member Services	Completed 9/06
Develop and implement an internal and external communications plan to include a media relations policy and to be based on the information needs of an increased retirement-eligible population		Complete by Q4,FY07

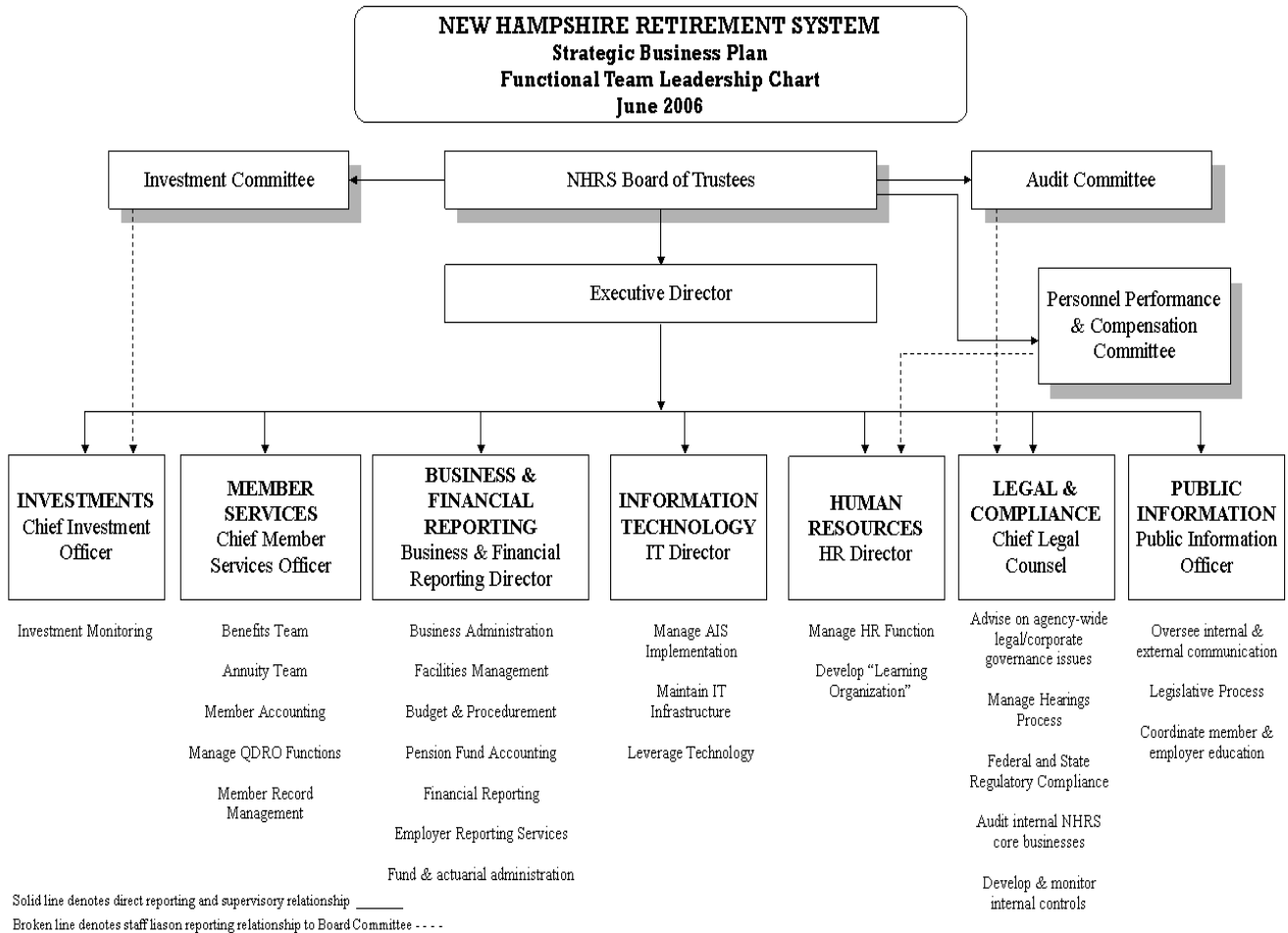
Public Information Plan Year 2007-2008

Objective	Partners	Project Status
Continue to assess, refine and deliver: <ol style="list-style-type: none"> 1. Employer education 2. Member and retiree education 3. Quality publications, education sessions and presentations 4. Internal and external communications 5. Contact center services 6. An up-to-date, user-friendly web site 	All Teams	
Continue to implement recommendations derived from the effective measurement tool to achieve median comparison with respect to peer groups, and adopt accepted quality standards and response times for member contact	Member Services	
Create a NHRS resource library	All Teams	
Deliver large group, annual member education outreach sessions on a regional basis		
Deliver statewide, smaller group member education outreach sessions		
Evaluate retiree outreach		
Participate in the implementation of employer training programs		

Public Information Plan Year 2008-2009

Objective	Partners	Project Status
Continue to assess, refine and deliver: 1) Employer education 2) Member and retiree education 3) Quality publications, educations sessions and presentations 4) Internal and external communications 5) Contact center services 6) An up-to-date, user-friendly web site	All Teams	
Deliver large group, annual member education outreach sessions on a regional basis		
Deliver statewide, smaller group member education outreach sessions		
Evaluate retiree outreach		
Participate in the implementation of employer training programs		
Maintain NHRS resource library		

Addendum 1 – Team Leadership Chart



Addendum 2 – Explanation of Acronyms & Terms

CAFR	Comprehensive Annual Financial Report
COLA	Cost-of-Living Adjustment
COSO/GARP Standards	Committee of Sponsoring Organizations of the Treadway Commission/Generally Accepted Risk Principles Standards
ERS	Employer Reporting Services
GASB	Government Accounting Standards Board
GHRIS System	Government Human Resource System
HB181	House Bill that establishes a committee to study the NHRS Special Account
HR	Human Resources
IT	Information Technology
LGC	Local Government Center
NHMA	New Hampshire Municipal Association
On-boarding	New Employee Orientation Program
PCs	Personal Computer
PDP	Professional Development Plan
PG	PensionGold
PIO	Public Information Office
PIRS/SIRS	Parallel Incident Report/Support Incident Report
PPCC	Personnel Performance and Compensation Committee
QDRO	Qualified Domestic Relations Order
RFP	Request for Proposal
XML files	Extensible Markup Language